

# MEMORANDUM

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**TO:** JBC Members

**FROM:** John Ziegler

**SUBJECT:** General Fund Overview for FY 2007-08 Supplementals

**DATE:** February 28, 2008

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Attached are four tables that summarize the updated supplemental request for FY 2007-08 and the updated budget request for FY 2008-09. The four tables include:

1. **Table 1, General Fund Overview** - Table 1 provides a General Fund overview based on the Legislative Council Staff December 2007 Revenue Forecast updated for the federal stimulus package. The General Fund exempt amount was reduced by \$20.5 million for FY 2007-08 and \$33.6 million for FY 2008-09. The General Fund overview includes updated assumptions for supplemental submissions and budget amendments that have been received by the JBC through February 22, 2008.
2. **Table 2, Summary of FY 2006-07 and FY 2007-08 General Fund Appropriations and FY 2008-09 OSPB Request** - Table 2 summarizes, by department, the appropriations and requests (as adjusted by supplementals and budget amendments) for FY 2006-07, FY 2007-08, and FY 2008-09. This table has been updated to include all the requests that have been made through February 22, 2008.
3. **Table 3, Bills that Impact the JBC Budget Balancing for FY 2007-08 and FY 2008-09** - Table 3 summarizes bills that potentially impact the budget balancing for FY 2007-08 and FY 2008-09. It also reflects the amount of the set asides that the Executive Branch has requested for these years.
4. **Table 4, Departmental Summary of FY 2007-08 General Fund Supplemental Requests in Addition to Decisions Already Made by the JBC** - Table 4 provides a summary, by department, of the additional supplemental requests that have been made since the introduction of the supplemental bills in January.

The JBC staff will present recommendations on these items through the figure setting process. Any decisions that impact FY 2007-08 will be included in the Long Bill as supplemental add-ons.

**Table 1**  
**General Fund Overview Based On Legislative Council December 2007 Revenue Estimate**  
**FY 2007-08 GF Exempt reduced \$20.5 million and FY 2008-09 GF Exempt reduced \$33.6 million to reflect Federal Stimulus Package**

	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>
1 Beginning GF Reserve	688.5	516.0	423.3	359.8	368.3	372.2
2 GF Nonexempt Revenues	6,228.2	6,607.5	6,880.8	7,261.3	7,891.7	8,479.5
3 GF Exempt Revenues	1,311.6	<b>1,247.0</b>	<b>1,246.4</b>	1,353.9	1,212.2	1,175.9
4 Requested Transfer to the Veteran's Trust Fund to Restore Funds Transferred in S.B. 03-190	0.0	0.0	(2.3)	0.0	0.0	0.0
5 Transfer to Older Americans Act	(3.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
6 TABOR Surplus Liability	0.0	0.0	0.0	0.0	0.0	0.0
7 S.B. 97-1 Diversion	(228.8)	(243.3)	(253.3)	(265.3)	(279.2)	(292.9)
8 TOTAL GF AVAILABLE	7,995.7	8,121.4	8,289.1	8,703.9	9,187.2	9,728.9
9						
10 GF Obligations:						
11 GF Appropriations	6,675.5	7,084.0	7,542.1	7,970.7	8,448.9	8,955.8
12 Special Bills	0.0	0.1	0.0	0.0	0.0	0.0
13 Special Bill Set Aside - Requested by OSPB Not Yet Approved by General Assembly	0.0	7.5	0.0	0.0	0.0	0.0
14 Supplementals Approved by JBC	0.0	10.7	0.0	0.0	0.0	0.0
15 Supplemental Place Holders as Approved by JBC	0.0	(15.0)	0.0	0.0	0.0	0.0
16 Supplemental Requests from OSPB Not Yet Approved by JBC	0.0	(5.6)	0.0	0.0	0.0	0.0
17 ADDITIONAL INCREASES/(REDUCTIONS)	0.0	6.1	(22.6)	0.0	0.0	0.0
18 Adjusted GF Appropriations Base	6,675.5	7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
19 Amounts Deemed Exempt from 6.0 Percent Limit	7.5	6.1	0.0	0.0	0.0	0.0
20 Medicaid Overexpenditures	3.6	0.0	0.0	0.0	0.0	0.0
21 Rebates and Expenditures - Based on Statutory Minimums	160.9	169.9	171.6	176.4	184.1	199.7
22 Rebates and Expenditures - Additional based on JBC 2007 Session Plan to Fund FPPA	0.0	0.0	9.8	9.8	9.8	0.0
23 Homestead Exemption	74.2	81.0	86.2	90.0	92.6	96.0
24 Funds in Prior Year Excess Reserve to HUTF	291.2	166.0	93.2	39.4	33.0	22.8
25 Funds in Prior Year Excess Reserve to Capital Construction	145.6	83.0	46.6	19.7	16.5	11.4
26 Capital Construction Transfer (Based on Current Law, OSPB Rqst for FY 07-08, & JBC Sups)	145.9	104.3	2.4	29.7	30.1	28.3
27 Controlled Maintenance Trust Fund Transfer	0.0	0.0	0.0	0.0	0.0	0.0
28 Accounting Adjustments	(24.7)	0.0	0.0	0.0	0.0	0.0
29 TOTAL GF OBLIGATIONS	7,479.7	7,698.1	7,929.3	8,335.6	8,815.0	9,314.1
30						
31 YEAR END GF RESERVE	516.0	423.3	359.8	368.3	372.2	414.8
32 STATUTORY RESERVE	267.0	283.5	300.8	318.8	338.0	358.2
33 MONEYS IN EXCESS OF STATUTORY GF RESERVE	249.0	139.8	59.0	49.5	34.3	56.6

Table 1 - Continued

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
34 Total Gross General Fund Revenues	7,539.8	7,854.5	8,127.2	8,615.2	9,103.9	9,655.4
35 Percent Gross General Fund Revenue Growth		4.2%	3.5%	6.0%	5.7%	6.1%
36 Transfer to the State Education Fund	395.1	414.6	429.5	456.1	484.5	517.2
37 Maximum Diversion to HUTF - (Sales + Use) * 10.355%	228.8	243.3	253.3	265.3	279.2	292.9
38						
39 Required TABOR Reserve	289.4	303.1	315.0	331.6	342.8	357.9
40						
41 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	6,686.6	7,093.9	7,519.5	7,970.7	8,448.9	8,955.8
42 Total Percent Growth (Including both items within 6 percent limit and exemptions)		6.1%	6.0%	6.0%	6.0%	6.0%
43 GF Appropriations Base Available Growth		407.3	425.6	451.2	478.2	506.9
44						
45 Calculated 6.0 Percent Limit		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
46 Adjusted GF Appropriations Base		7,087.8	7,519.5	7,970.7	8,448.9	8,955.8
47 Over/(Under) 6.0 Percent Limit		0.0	(0.0)	0.0	0.0	0.0
48						
49 Year-End GF Reserve Percentage	7.7%	6.0%	4.8%	4.6%	4.4%	4.6%
50						
51 Amount to Highway Users Tax Fund						
52 SB 97-1 Diversions	228.8	243.3	253.3	265.3	279.2	292.9
53 Funds in Prior Year Excess Reserve to HUTF	291.2	166.0	93.2	39.4	33.0	22.8
54 Total to Highway Users Tax Fund	520.0	409.3	346.5	304.7	312.2	315.7
55 Cumulative Total to Highway Users Tax Fund	520.0	929.3	1,275.8	1,580.4	1,892.6	2,208.4
56						
57 Rebates and Expenditures Include (from LCS Forecast)						
58 Cigarette Rebate	13.2	13.4	13.2	13.0	12.9	12.5
59 Old Age Pension	89.9	92.1	98.0	104.5	111.7	118.8
60 Aged Property Tax & Heating Credit	8.4	14.0	17.3	15.2	15.8	16.4
61 FPPA	38.8	38.8	29.3	29.3	29.3	37.6
62 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	10.6	11.6	13.8	14.4	14.4	14.4
63 Total Rebates and Expenditures	160.9	169.9	171.6	176.4	184.1	199.7

Table 2  
Summary of FY 2006-07 and FY 2007-08 General Fund Appropriations and FY 2008-09 OSPB Request

Departments	FY 2006-07 Current Appropriation (Subject to Arvescoug Bird Limit)	Supplemental Changes to FY 2006-07 as Approved by the JBC	FY 2006-07 Current Appropriation Adjusted for JBC Changes	FY 2007-08 Current Appropriation (Subject to Arvescoug Bird Limit)	Supplemental Changes to FY 2007-08 as Approved by the JBC	FY 2007-08 Current Appropriation Adjusted for JBC Changes	Separate Bills and Place Holders Impacting FY 2007-08	FY 2007-08 Current Appropriation Adjusted for JBC Decisions, Separate Bills, and Place Holders	Original Nov 1 OSPB and Elected Official FY 2008-09 Requests	Revised Feb 20 OSPB and Elected Official FY 2008-09 Requests	Nov 1 FY 2008-09 Request Compared to FY 2007-08 Appropriation	Feb 20 FY 2008-09 Request Compared to FY 2007-08 Revised Appropriation
1 Agriculture	5,221,517	0	5,221,517	7,413,544	(88,035)	7,325,509	0	7,325,509	7,562,318	7,631,404	2.01%	4.18%
2 Corrections	584,165,525	(3,452,093)	580,713,432	636,471,480	(11,567,846)	624,903,634	0	624,903,634	674,523,127	675,903,487	5.98%	8.16%
3 Education	2,874,213,080	8,913,536	2,883,126,616	3,059,213,254	24,071	3,059,237,325	(33,949,953)	3,025,287,372	3,218,524,359	3,174,966,010	5.21%	4.95%
4 Governor	12,115,742	0	12,115,742	11,803,944	(9,511)	11,794,433	5,500,000	17,294,433	14,759,623	14,915,700	25.04%	-13.75%
5 Health Care Policy	1,373,117,549	(4,214,484)	1,368,903,065	1,423,788,884	11,027,410	1,434,816,294	18,980,399	1,453,796,693	1,526,459,330	1,545,409,334	7.21%	6.30%
6 Higher Education	694,142,988	0	694,142,988	746,248,858	136,246	746,385,104	0	746,385,104	805,776,915	810,972,816	7.98%	8.65%
7 Human Services	619,597,597	(1,246,959)	618,350,638	641,824,175	8,145,553	649,969,728	0	649,969,728	670,961,673	690,700,275	4.54%	6.27%
8 Judicial	264,610,489	0	264,610,489	296,885,201	1,096,385	297,981,586	0	297,981,586	329,118,511	329,526,861	10.86%	10.59%
9 Labor	140,666	0	140,666	0	0	0	0	0	0	0	n/a	n/a
10 Law	9,080,436	0	9,080,436	8,744,803	(69,280)	8,675,523	0	8,675,523	9,596,145	9,649,713	9.74%	11.23%
11 Legislature	30,931,554	0	30,931,554	32,613,798	24,202	32,638,000	102,151	32,740,151	34,570,626	34,859,338	6.00%	6.47%
12 Local Affairs	6,196,415	0	6,196,415	6,913,817	(36,584)	6,877,233	0	6,877,233	7,364,396	8,940,167	6.52%	30.00%
13 Military Affairs	5,215,526	0	5,215,526	5,521,333	9,460	5,530,793	0	5,530,793	6,106,947	5,936,941	10.61%	7.34%
14 Natural Resources	28,427,902	0	28,427,902	30,336,286	(77,918)	30,258,368	0	30,258,368	32,180,632	32,327,837	6.08%	6.84%
15 Personnel	9,466,191	0	9,466,191	10,776,579	662,543	11,439,122	0	11,439,122	11,598,842	8,463,195	7.63%	-26.02%
16 Public Health	22,303,026	0	22,303,026	23,401,282	18,187	23,419,469	0	23,419,469	25,782,756	25,831,885	10.18%	10.30%
17 Public Safety	68,158,776	0	68,158,776	72,830,763	440,534	73,271,297	0	73,271,297	80,136,539	81,333,496	10.03%	11.00%
18 Regulatory Agencies	1,297,219	0	1,297,219	1,416,593	(2,415)	1,414,178	0	1,414,178	1,419,841	1,430,122	0.23%	1.13%
19 Revenue	66,311,579	0	66,311,579	66,800,024	991,936	67,791,960	0	67,791,960	70,089,847	71,090,580	4.92%	4.87%
20 State	0	0	0	0	17,582	17,582	2,000,000	2,017,582	6,794,741	6,794,741	n/a	236.78%
21 Transportation	0	0	0	0	0	0	0	0	0	0	n/a	n/a
22 Treasury	813,108	0	813,108	848,970	(72,682)	776,288	0	776,288	1,024,783	1,020,726	20.71%	31.49%
23 Capital Construction Fund	0	0	0	0	0	0	0	0	0	0	n/a	n/a
24 Controlled Maintenance	0	0	0	162,328	0	162,328	0	162,328	5,102,977	4,415,677	3043.62%	2620.22%
25											n/a	n/a
26 Total	6,675,526,885	0	6,675,526,885	7,084,015,916	10,669,838	7,094,685,754	(7,367,403)	7,087,318,351	7,539,454,928	7,542,120,305	6.43%	6.42%

**Table 3**  
**Bills that Impact JBC Budget Balancing for FY 2007-08 and FY 2008-09**

	Bill No.	Department	FY 2007-08 Impact					FY 2008-09 Impact					
			GF	CF	CFE	FF	Total	GF	CF	CFE	FF	Total	
<b>Title:</b>													
Legislative Expenditures (Increases appropriation for legislative aides)	HB 1037	Legislative	<u>102,151</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,151</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>			<b>102,151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>102,151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Items that Impact the Budget:</b>													
<b>Supplemental Placeholders:</b>													
Education (MAXIMUM reduction of GF that can be taken in FY 2007-08)	N/A	Education	(33,949,953)				(33,949,953)	0	0	0	0	0	0
Health Care Policy and Financing (Current estimate of additional Medicaid)	N/A	HCPF	<u>18,980,399</u>				<u>18,980,399</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Supplemental Placeholders</b>			<b>(14,969,554)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(14,969,554)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Figure Setting Set Asides (Appropriation to CMTF):</b>													
Legislative Set Aside for Legislation	N/A	CMTF	0	0	0	0	0	2,000,000	0	0	0	0	2,000,000
Executive Set Aside for Legislation	N/A	CMTF	0	0	0	0	0	915,677	0	0	0	0	915,677
Secretary of State Election Systems Bill	SB ???	State	2,000,000	0	0	0	2,000,000	1,500,000	0	0	0	0	1,500,000
Bioscience Bill	HB 1001	Governor	<u>5,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Figure Setting Set Asides (Appropriation to CMTF)</b>			<b>7,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500,000</b>	<b>4,415,677</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,415,677</b>

**Table 4**  
**Departmental Summary of FY 2007-08 General Fund Supplemental Request**  
**in Addition to Decisions Already Included in Introduced Supplemental Package**

<b>Departments</b>	<b>February 20th Supplementals Requested by OSPB</b>
Agriculture	0
Corrections	0
Education	(8,017,072)
Governor	0
Health Care Policy	5,441,664
Higher Education	0
Human Services	(4,564,342)
Judicial	0
Labor	0
Law	0
Legislature	0
Local Affairs	1,500,000
Military Affairs	0
Natural Resources	0
Personnel	0
Public Health	0
Public Safety	40,000
Regulatory Agencies	2,653
Revenue	0
State	0
Transportation	0
Treasury	0
Capital Construction Fund	0
Controlled Maintenance	0
<b>Total</b>	<b>(5,597,097)</b>